

INTERNATIONAL SHIPPING TIPS

Opening up your market internationally can feel daunting as there are a lot of rules and regulations to shipping products worldwide.

This guide provides tips and references to help you understand international shipping with Chit Chats.

How does International Shipping Work?

Carrier handles package delivery up to customs at the destination country. From there, the postal service of the destination country handles package delivery to the recipient.



Example: Client shipping USPS via Chit Chats from Ontario to London, U.K.

Is it a Good Fit?



Do your research and review the list of restricted and prohibited items to see if your product can be shipped to the country in question.

Some items are restricted or prohibited to be shipped internationally.

Small, lightweight items are ideal for international shipping.

Package your items as small as possible to minimize costs.

Package items with extra care.

Processing facilities in the destination country have different procedures which can impact the handling of your shipment.

Manage buyer's expectations with communicating delivery times

Delivery times to international destinations can vary due to custom delays depending on the country.

Destination countries have different expectations for address formats.

It is important that you supply all of the address details required by the country you wish to ship to. For example, countries such as Oman and the United Arab Emirates require a P.O. box number rather than a street address. Find more details on USPS' guide to <u>address information</u>.



Start by researching specific countries (prohibited items, delivery times, exceptions etc.) and targeting customers within those areas first.

Shipping carriers have their own set of regulations to what can be shipped. For example, some items can be shipped via ground with USPS but not via air.

• <u>USPS prohibited items</u>

Be aware of country-specific regulations and requirements. Some examples* of prohibited and restricted items by country. *This list is not exhaustive so do your research.

USPS Country List

Canada Post Country List

Asendia Country List

Australia

Restricted: Jewelry is permitted only when sent as an insured parcel

China

Prohibited: Radio receivers, transmitters or receivers of all kinds, walkie-talkies and parts thereof; valves, antennae, etc.

Italy

Prohibited: Albums of any kind (of photographs, postcards, postage stamps, etc.). Leather goods.

France

Prohibited: Cigarette lighters using butane gas.

Restricted: Books in the French language printed abroad must have the names of the publisher and printer shown as prescribed by the French copyright laws.

Mexico

Prohibited: Tickets, lists, and circulars for foreign lotteries. Works infringing copyrights covering Mexico.

United Kingdom

Restricted: Aerosols. Christmas crackers (holiday popper).

Customs, Duties & Taxes



Know the total cost before sending an order to your customer.

• If you don't know the total cost, your customer may be hit with additional charges they weren't expecting which makes for a poor customer experience.

- Standard practice usually has the recipient responsible to pay for any import fees and duties to receive the package.
- Chit Chats offers both Delivered Duties Paid (DDP) and Delivered Duties Unpaid (DDU) postage options.

If you have an IOSS or customs tax reference number you can ship with DDP postage.

Customs Tax Reference Numbers

Some international shipments are subject to taxes and duties. The customs body in the destination country may request a tax reference number associated with your shipment.

Taxes and duties will vary depending on the destination country.

• Be sure to research any specific requirements of the destination country you are shipping to.

• As of July 1, 2021 all shipments destined to the European Union (EU) must include an IOSS (Import One-Stop Shop) number. This will show that the appropriate value-added tax (VAT) was paid for the shipment

If this is not provided, it would result in additional customs fees, delays and potential for non-delivery (meaning your shipment could be undeliverable) and not returned

• In Europe, VAT is not due when the total value* of all goods in a consignment is less than a threshold. The threshold may vary from 10 euros to 22 euros, depending on the EU country.

• The Australian Goods and Services Tax of 10% applies to low value imported goods (less than AUD 1,000), services and other items sold or consumed for over AUD 75,000 in Business to Consumer gross sales revenue per annum.

*Value not inclusive of customs duties or transport costs.

Customs, Duties & Taxes



It is illegal to mark an item as a gift when it is not

• Customers may ask you to do this so they don't have to pay import taxes, but remember you will be liable if it is discovered.

Shipment descriptions

• Be detailed and descriptive as generic descriptions will delay your package.

Harmonized System Tariff Codes (HS)

HS codes are a standardized numerical method of classifying items for customs processing.

- Depending on the carrier and country an HS code may be mandatory.
- Adding an HS code can help move your shipment smoothly through customs and is highly recommended as more carriers are making this a mandatory requirement.

Here are some useful resources for finding an accurate HS code:

- Harmonized Tariff Schedule
- <u>Canada Post Find a Harmonized System Code</u>

Tracking & Delivery



Typically international shipments are updated during initial acceptance and delivery or attempted delivery.

• In some cases, there will be additional scans at delivery points, as the item moves in transit.

• Other international services with a tracking number will only be traceable until they reach the International Service Center (ISC). Once these shipments depart the U.S. their tracking will cease to update.

Delivery to international destinations varies by country.

• Some international shipments are only tracked along to a certain point. This can include tracking updates within the U.S. but not the destination country or tracking updates in the destination country but not including delivery confirmation.

• Some international services offer delivery confirmation to the final destination. For example, USPS First Class Package International & USPS Priority Mail International Flat Rate offers <u>delivery confirmation to 43 countries</u>.

Depending on the country some packages may have longer delays due to customs. Delivery days provided are always an estimation in business days and never guaranteed.